



Billing Code: 4310-MR

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Western Gulf of Mexico Planning Area (WPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 246 (WPA Sale 246)

MMAA104000

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Final Notice of Sale

SUMMARY: On Wednesday, August 19, 2015, the Bureau of Ocean Energy Management (BOEM) will open and publicly announce bids for blocks offered in the Western Gulf of Mexico Planning Area (WPA) Lease Sale 246 (WPA Sale 246), in accordance with the provisions of the Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1331-1356, as amended) and the implementing regulations issued pursuant thereto (30 CFR parts 550 and 556). The WPA Sale 246 Final Notice of Sale (NOS) Package (Final NOS Package) contains information essential to potential bidders. Bidders are charged with knowing the contents of the documents contained in the Final NOS Package.

DATE AND TIME: Public bid reading for WPA Sale 246 will begin at 9:00 a.m. on Wednesday, August 19, 2015. All times referred to in this document are local time in New Orleans, unless otherwise specified.

LOCATION: The Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level; parking will be available at Garage 6.

BID SUBMISSION DEADLINE: BOEM must receive all sealed bids between 8:00 a.m. and 4:00 p.m. on normal working days, and from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, August 18, 2015, the day before the lease sale. For more information on bid submission, see Section VII, “Bidding Instructions,” of this document.

ADDRESS: Interested parties, upon request, may obtain a compact disc (CD-ROM) containing the Final NOS Package by contacting the BOEM Gulf of Mexico (GOM) Region at the following address:

Gulf of Mexico Region Public Information Office

Bureau of Ocean Energy Management

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

(504) 736-2519 or (800) 200-GULF

or by visiting the BOEM website at <http://www.boem.gov/Sale-246/>.

TABLE OF CONTENTS

This Final NOS includes the following sections:

- I. LEASE SALE AREA
- II. STATUTES AND REGULATIONS
- III. LEASE TERMS AND ECONOMIC CONDITIONS
- IV. LEASE STIPULATIONS
- V. INFORMATION TO LESSEES
- VI. MAPS
- VII. BIDDING INSTRUCTIONS
- VIII. BIDDING RULES AND RESTRICTIONS

IX. FORMS

X. THE LEASE SALE

XI. DELAY OF SALE

I. LEASE SALE AREA

Blocks Offered for Leasing:

In WPA Sale 246, BOEM is offering for lease all blocks and partial blocks listed in the document “List of Blocks Available for Leasing” included in this Final NOS Package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPDs):

Outer Continental Shelf Leasing Maps - Texas Map Numbers 1 through 8

TX1	South Padre Island Area (revised October 1, 2014)
TX1A	South Padre Island Area, East Addition (revised October 1, 2014)
TX2	North Padre Island Area (revised November 1, 2000)
TX2A	North Padre Island Area, East Addition (revised November 1, 2000)
TX3	Mustang Island Area (revised November 1, 2000)
TX3A	Mustang Island Area, East Addition (revised September 3, 2002)
TX4	Matagorda Island Area (revised November 1, 2000)
TX5	Brazos Area (revised November 1, 2000)
TX5B	Brazos Area, South Addition (revised November 1, 2000)
TX6	Galveston Area (revised November 1, 2000)
TX6A	Galveston Area, South Addition (revised November 1, 2000)
TX7	High Island Area (revised November 1, 2000)
TX7A	High Island Area, East Addition (revised November 1, 2000)
TX7B	High Island Area, South Addition (revised November 1, 2000)

TX7C High Island Area, East Addition, South Extension (revised November 1, 2000)
TX8 Sabine Pass Area (revised November 1, 2000)

Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1A, 1B, and 12

LA1A West Cameron Area, West Addition (revised February 28, 2007)
LA1B West Cameron Area, South Addition (revised February 28, 2007)
LA12 Sabine Pass Area (revised July 1, 2011)

Outer Continental Shelf Official Protraction Diagrams

NG14-03 Corpus Christi (revised November 1, 2000)
NG14-06 Port Isabel (revised October 1, 2014)
NG15-01 East Breaks (revised November 1, 2000)
NG15-02 Garden Banks (revised February 28, 2007)
NG15-04 Alaminos Canyon (revised October 1, 2014)
NG15-05 Keathley Canyon (revised October 1, 2014)
NG15-08 Sigsbee Escarpment (revised October 1, 2014)

Please Note:

A CD-ROM (in ArcGIS and Acrobat (.pdf) format) containing all of the GOM Region leasing maps and OPDs, is available from the BOEM Gulf of Mexico Region Public Information Office for a price of \$15.00. These GOM Region leasing maps and OPDs also are available online for free in .pdf and .gra formats at <http://www.boem.gov/Official-Protraction-Diagrams>.

For the current status of all WPA leasing maps and OPDs, please refer to 66 FR 28002 (May 21, 2001), 67 FR 60701 (September 26, 2002), 72 FR 27590 (May 16, 2007), 76 FR 54787 (September 2, 2011), 79 FR 32572 (June 5, 2014), and 80 FR 3251 (January 22, 2015). In addition, Supplemental Official OCS Block Diagrams (SOBDs) for blocks containing the U.S. 200-Nautical Mile Limit line and the U.S.-Mexico Maritime and Continental Shelf Boundary

line are available. These SOBDs are available from the BOEM Gulf of Mexico Region Public Information Office and on BOEM's website at <http://www.boem.gov/Supplemental-Official-OCS-Block-Diagrams-SOBDs/>. For additional information, or to order the above referenced maps or diagrams, please call the Mapping and Automation Section at (504) 731-1457.

All blocks being offered in the lease sale are shown on these leasing maps and OPDs. The available Federal acreage of each whole and partial block in this lease sale is shown in the document "List of Blocks Available for Leasing" included in the Final NOS Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines, such as the Federal/State jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Also, information on the unleased portions of such blocks can be found in the document entitled "Western Planning Area, Lease Sale 246, August 19, 2015 - Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions under Lease or Deferred," which is included in this Final NOS Package.

For additional information, please call Mr. Lenny Coats, Chief of the Mapping and Automation Section, at (504) 731-1457.

Blocks Not Offered for Leasing: The following whole and partial blocks are not offered for lease in this sale:

Whole and partial blocks that lie within the boundaries of the Flower Garden Banks National Marine Sanctuary (Sanctuary) in the East and West Flower Garden Banks and Stetson Bank. The following list identifies all blocks affected by the Sanctuary boundaries:

High Island, East Addition, South Extension (Leasing Map TX7C)

Whole Block: A-398

Portions of Blocks: A-366, A-367, A-374, A-375, A-383, A-384, A-385,

A-388, A-389, A-397, A-399, A-401

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (OPD NG15-02)

Portions of Blocks: 134, 135

The following blocks whose lease status is currently under appeal:

Matagorda Island (Leasing Map TX4) Block 632

Matagorda Island (Leasing Map TX4) Block 656

Matagorda Island (Leasing Map TX4) Block 657

II. STATUTES AND REGULATIONS

Each lease is issued pursuant and subject to OCSLA, implementing regulations promulgated pursuant thereto, and other applicable statutes and regulations in existence upon the effective date of the lease, as well as those applicable statutes enacted and regulations promulgated thereafter, except to the extent that the after-enacted statutes and regulations explicitly conflict with an express provision of the lease. Each lease is subject to amendments to the applicable statutes and regulations, including, but not limited to, OCSLA, that do not explicitly conflict with an express provision of the lease. The lessee expressly bears the risk that such new or amended statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligations under the lease.

III. LEASE TERMS AND ECONOMIC CONDITIONS

Lease Terms

OCS Lease Form

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale. This lease form may be viewed on the BOEM website at <http://www.boem.gov/BOEM->

[2005/](#). The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to each individual lease. The terms, conditions, and stipulations applicable to this sale are set forth below.

Initial Periods

Initial periods are summarized in the following table:

Water Depth (Meters)	Initial Period
0 to < 400	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) during the first 5 years of the lease
400 to < 800	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded during the first 5 years of the lease
800 to < 1,600	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period) if a well is spudded during the first 7 years of the lease
1,600 +	10 years

- (1) The standard initial period for a lease in water depths less than 400 meters issued as a result of this sale is 5 years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first 5 years of the lease, then the lessee may earn an additional 3 years, resulting in an 8-year extended initial period. The lessee will earn the 8-year extended initial period when the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico Regional Supervisor for Production and Development, within 30 days after

completion of the drilling operation, a letter providing the well number, spud date, information demonstrating a target below 25,000 feet TVD SS and whether that target was reached, and if applicable, any safety, mechanical, or other problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The BSEE Gulf of Mexico Regional Supervisor for Production and Development must concur in writing that the conditions have been met for the lessee to earn the 8-year extended initial period. The BSEE Gulf of Mexico Regional Supervisor for Production and Development will provide a written response within 30 days of receipt of the lessee's letter.

A lessee that has earned the 8-year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the first 5 years of the lease, confirmed by BSEE, will not be granted a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

- (2) The standard initial period for a lease in water depths ranging from 400 to less than 800 meters issued as a result of this sale is 5 years. The lessee will earn an additional 3 years, resulting in an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- (3) The standard initial period for a lease in water depths ranging from 800 to less than 1,600 meters issued as a result of this sale will be 7 years. The lessee will earn an additional 3 years, resulting in a 10-year extended initial period, if the lessee spuds a well within the first 7 years of the lease.

In order to earn the 10-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 10-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

- (4) The standard initial period for a lease in water depths 1,600 meters or deeper issued as a result of this sale will be 10 years.

Economic Conditions

Minimum Bonus Bid Amounts

- \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper

BOEM will not accept a bonus bid unless it provides for a cash bonus in the amount equal to, or exceeding, the specified minimum bid of \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters, and \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper.

Rental Rates

Annual rental rates are summarized in the following table:

Rental Rates per Acre or Fraction Thereof		
Water Depth (Meters)	Years 1-5	Years 6, 7, & 8 +
0 to < 200	\$7.00	\$14.00, \$21.00, & \$28.00
200 to < 400	\$11.00	\$22.00, \$33.00, & \$44.00
400 +	\$11.00	\$16.00

Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Water Depths Less Than 400 Meters

Any lessee with a lease in less than 400 meters water depth who earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in less than 400 meters water depth will become fixed and no longer escalate, if another well is spudded targeting hydrocarbons below 25,000 feet TVD SS after the fifth year of the lease, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

Royalty Rate

- 18.75 percent

Minimum Royalty Rate

- \$7.00 per acre or fraction thereof per year for blocks in water depths less than 200 meters
- \$11.00 per acre or fraction thereof per year for blocks in water depths 200 meters or greater

Royalty Suspension Provisions

The issuance of leases with royalty suspension volumes (RSVs) or other forms of royalty relief is authorized under existing BOEM regulations at 30 CFR part 560. The specific details relating to eligibility and implementation of the various royalty relief programs, including those involving the use of RSVs, are codified in BSEE regulations at 30 CFR part 203. In this sale, the only royalty relief program being offered, which involves the provision of RSVs, relates to the drilling of ultra-deep wells in water depths of less than 400 meters, as described below.

Royalty Suspension Volumes on Gas Production from Ultra-deep Wells

Leases issued as a result of this sale may be eligible for RSVs incentives on gas produced from ultra-deep wells pursuant to 30 CFR part 203. These regulations implement the requirements of the Energy Policy Act of 2005. Under this program, wells on leases in less than 400 meters water depth and completed to a drilling depth of 20,000 feet TVD SS or deeper receive a RSV of 35 billion cubic feet on the production of natural gas. This RSVs incentive is subject to applicable price thresholds set forth in the regulation at 30 CFR part 203.

IV. LEASE STIPULATIONS

One or more of the following stipulations may be applied to leases issued as a result of this sale. The detailed text of these stipulations is contained in the “Lease Stipulations” section of this Final NOS Package.

- (1) Topographic Features
- (2) Military Areas
- (3) United Nations Convention on the Law of the Sea Royalty Payment
- (4) Protected Species
- (5) Agreement between the United States of America and the United Mexican States
Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

V. INFORMATION TO LESSEES

The following Information to Lessees (ITL) clauses provide detailed information on certain issues pertaining to this oil and gas lease sale. The detailed text of the following ITL clauses is contained in the “Information to Lessees” section of this Final NOS Package.

- (1) Navigation Safety
- (2) Ordnance Disposal Areas in the WPA
- (3) Existing and Proposed Artificial Reefs/Rigs-to-Reefs
- (4) Lightering Zones
- (5) Indicated Hydrocarbons List
- (6) Military Areas in the WPA
- (7) BSEE Inspection and Enforcement of Certain Coast Guard Regulations
- (8) Potential Sand Dredging Activities in the WPA
- (9) Notice of Arrival on the Outer Continental Shelf
- (10) Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment
- (11) Protected Species
- (12) Flower Garden Banks Expansion

VI. MAPS

The maps pertaining to this lease sale may be found on the BOEM website at <http://www.boem.gov/Sale-246>. The following maps also are included in this Final NOS Package:

Lease Terms and Economic Conditions Map

The lease terms and economic conditions and the blocks to which these terms and conditions apply are shown on the map entitled “Final, Western Planning Area, Lease Sale 246,

August 19, 2015, Lease Terms and Economic Conditions.”

Stipulations and Deferred Blocks Map

The blocks to which one or more lease stipulations may apply are shown on the map entitled “Final, Western Planning Area, Lease Sale 246, August 19, 2015, Stipulations and Deferred Blocks Map.”

VII. BIDDING INSTRUCTIONS

Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if applicable), and what information must be included with the bid are as follows:

Bid Form

For each block bid upon, a separate sealed bid shall be submitted in a sealed envelope (as described below) and must include the following:

- total amount of the bid in whole dollars only;
- sale number;
- sale date;
- each bidder’s exact name;
- each bidder’s proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333%);
- typed name and title, and signature of each bidder’s authorized officer;
- each bidder’s qualification number;
- map name and number or OPD name and number;
- block number; and
- statement acknowledging that the bidder(s) understands that this bid legally binds the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid amount on all apparent high bids.

The information required on the bid(s) is specified in the document “Bid Form” contained in the Final NOS Package. A blank bid form is provided in the Final NOS Package for convenience and may be copied and completed with the necessary information described above.

Bid Envelope

Each bid must be submitted in a separate sealed envelope labeled as follows:

- “Sealed Bid for Oil and Gas Lease Sale 246, not to be opened until 9:00 a.m. Wednesday, August 19, 2015;”
- map name and number or OPD name and number;
- block number for block bid upon; and
- the exact name and qualification number of the submitting bidder only.

The Final NOS Package includes a sample bid envelope for reference.

Mailed Bids

If bids are mailed, please address the envelope containing the sealed bid envelope(s) as follows:

Attention: Leasing and Financial Responsibility Section

BOEM Gulf of Mexico Region

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

Contains Sealed Bids for WPA Oil and Gas Lease Sale 246

Please Deliver to Mr. Chris Oos or Ms. Cindy Thibodeaux,

2nd Floor, Immediately

Please Note:

Bidders mailing bid(s) are advised to call Mr. Chris Oos at (504) 736-2862, or Ms. Cindy Thibodeaux at (504) 736-2809, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Regional Director (RD) will return those bids unopened to bidders. Please see “Section XI. Delay of Sale” regarding BOEM’s discretion to extend the Bid Submission Deadline in the case of an unexpected event (e.g., flooding or travel restrictions) and how bidders can obtain more information on such extensions.

Advance Bonus Bid Deposit Guarantee

Bidders that are not currently an OCS oil and gas lease record title holder or designated operator, or those that ever have defaulted on a one-fifth bonus bid deposit, by Electronic Funds Transfer (EFT) or otherwise, must guarantee (secure) the payment of the one-fifth bonus bid deposit prior to bid submission using one of the following four methods:

- provide a third-party guarantee;
- amend an areawide development bond via bond rider;
- provide a letter of credit; or
- provide a lump sum payment in advance via EFT.

For more information on EFT procedures, see Section X of this document entitled “The Lease Sale.”

Affirmative Action

Prior to bidding, each bidder should file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) with the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order

No. 11246, issued September 24, 1965, as amended by Executive Order No. 11375, issued October 13, 1967. Both forms must be on file for the bidder(s) in the GOM Region Adjudication Section prior to the execution of any lease contract.

Geophysical Data and Information Statement

The Geophysical Data and Information Statement (GDIS) is composed of three parts:

- (1) the “Statement” page includes the company representatives’ information and lists of blocks bid on that used proprietary data and those blocks bid on that did not use proprietary data;
- (2) the “Table” listing the required data about each proprietary survey used (see below); and
- (3) the “Maps” being the live trace maps for each survey that are identified in the GDIS statement and table.

Every bidder submitting a bid on a block in WPA Sale 246, or participating as a joint bidder in such a bid, must submit at the time of bid submission all three parts of the GDIS. A bidder must submit the GDIS *even if a joint bidder or bidders on a specific block also have submitted a GDIS*. Any speculative data that has been reprocessed externally or “in-house” is considered proprietary due to the proprietary processing and is no longer considered to be speculative.

The GDIS must be submitted in a separate and sealed envelope, and identify all proprietary data; reprocessed speculative data, and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset, Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block.

The GDIS statement must include the name, phone number, and full address of a contact person and an alternate who are *both knowledgeable about the information and data listed and who are available for 30 days after the sale date*. The GDIS statement also must include entries for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder in the bid.

The GDIS statement must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

The GDIS table should have columns that clearly state the sale number; the bidder company's name; the block area and block number bid on; the owner of the original data set (i.e., who initially acquired the data); the industry's original name of the survey (e.g., E Octopus); the BOEM permit number for the survey; whether the data set is a fast track version; whether the data is speculative or proprietary; the data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth); migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data; and areal extent of bidder survey (i.e., number of line miles for 2-D or number of blocks for 3-D). Provide the computer storage size, to the nearest gigabyte, of each seismic data and velocity volume used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set, if applicable.

The availability of reimbursement of production costs will be determined consistent with 30 CFR 551.13. The next column should state who reprocessed the data (e.g., external company name or "in-house") and when the date of final reprocessing was completed (month and year). If the data was sent to BOEM for bidding in a previous lease sale, list the date the data was processed (month and year) and indicate if Amplitude Versus Offset (AVO) data was used in the evaluation. BOEM reserves the right to query about alternate data sets, to quality check, and to

compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process. An example of the preferred format of the table may be found in the Final NOS Package, and a blank digital version of the preferred table may be accessed on the WPA Sale 246 webpage at <http://www.boem.gov/Sale-246/>.

The GDIS maps are live trace maps (in .pdf and ArcGIS shape files) that should be submitted for each *proprietary* survey that is identified in the GDIS table. They should illustrate the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information).

Pursuant to 30 CFR 551.12 and 30 CFR 556.32, as a condition of the sale, the BOEM Gulf of Mexico RD requests that all bidders and joint bidders submit the proprietary data identified on their GDIS within 30 days after the lease sale (unless they are notified after the lease sale that BOEM has withdrawn the request). This request only pertains to proprietary data that is not commercially available. Commercially available data is not required to be submitted to BOEM, and reimbursement will not be provided if such data is submitted by a bidder. The BOEM Gulf of Mexico RD will notify bidders and joint bidders of any withdrawal of the request, for all or some of the proprietary data identified on the GDIS, within 15 days of the lease sale. Pursuant to 30 CFR part 551 and as a condition of this sale, all bidders required to submit data must ensure that the data is received by BOEM no later than the 30th day following the lease sale, or the next business day if the submission deadline falls on a weekend or Federal holiday. The data must be submitted to BOEM at the following address:

Bureau of Ocean Energy Management
Resource Studies, MS 881A
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2304

BOEM recommends that bidders mark the submission's external envelope as "Deliver Immediately to DASPU." BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation: "Proprietary Geophysical Data Submitted Pursuant to Lease Sale 246 and used during <Bidder Name's> evaluation of Block <Block Number>."

In the event a person supplies any type of data to BOEM, that person must meet the following requirements to qualify for reimbursement:

- (1) Persons must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). CCR usernames will not work in SAM. A new SAM User Account is needed to register or update an entity's records. The website for registering is <https://www.sam.gov>.
- (2) Persons must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The person must enroll in the IPP at <https://www.ipp.gov/>. Access then will be granted to use the IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
- (3) Persons must have a current On-line Representations and Certifications Application at <https://www.sam.gov>.

Please Note:

The GDIS Information Table **must** be submitted digitally, preferably as an Excel spreadsheet, on a CD or DVD along with the seismic data map(s). If bidders have any questions, please contact Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455.

Bidders should refer to Section X of this document, "The Lease Sale: Acceptance, Rejection, or Return of Bids," regarding a bidder's failure to comply with the requirements of the

Final NOS, including any failure to submit information as required in this Final NOS or Final NOS Package.

Telephone Numbers/Addresses of Bidders

BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The suggested format is included in the Final NOS Package. The form must not be enclosed inside the sealed bid envelope.

Additional Documentation

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46.

VIII. BIDDING RULES AND RESTRICTIONS

Restricted Joint Bidders

On May 18, 2015, BOEM published the most recent List of Restricted Joint Bidders in the *Federal Register* at 80 FR 28299. Potential bidders are advised to refer to the *Federal Register*, prior to bidding, for the most current List of Restricted Joint Bidders in place at the time of the lease sale. Please refer to joint bidding provisions at 30 CFR 556.41 for additional restrictions.

Authorized Signatures

All signatories executing documents on behalf of bidder(s) must execute the same in conformance with the BOEM qualification records. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document “Bid Form” contained in the Final NOS Package).

Unlawful Combination or Intimidation

BOEM warns bidders against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

Bid Withdrawal

Bids may be withdrawn only by written request delivered to BOEM prior to the Bid Submission Deadline. The withdrawal request must be on company letterhead and must contain the bidder's name, its BOEM qualification number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The withdrawal request must be executed by an authorized signatory of the bidder and must be executed in conformance with the BOEM qualification records. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC), and documentation must be on file with BOEM setting forth this authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA (e.g., business charter or articles, incumbency certificate, or power of attorney). The name and title of the authorized signatory must be typed under the signature block on the withdrawal request. The BOEM Gulf of Mexico RD, or the RD's designee, will indicate any approval by signing and dating the withdrawal request.

Bid Rounding

The bonus bid amount must be stated in whole dollars. Minimum bonus bid calculations, including all rounding, for all blocks are shown in the document entitled "List of Blocks Available for Leasing," which is included in this Final NOS Package. If the acreage of a block contains a decimal figure, then prior to calculating the minimum bonus bid, BOEM has rounded up to the next whole acre. The appropriate minimum rate per acre was then applied to the whole (rounded up) acreage. If this calculation resulted in a fractional dollar amount, the minimum bonus bid was rounded up to the next whole dollar amount. The bonus bid amount must be

greater than or equal to the minimum bonus bid in whole dollars.

IX. FORMS

The Final NOS Package includes instructions, samples, and/or the preferred format for the following items. BOEM strongly encourages bidders to use these formats; should bidders use another format, they are responsible for including all the information specified for each item in this Final NOS Package.

- (1) Bid Form
- (2) Sample Completed Bid
- (3) Sample Bid Envelope
- (4) Sample Bid Mailing Envelope
- (5) Telephone Numbers/Addresses of Bidders Form
- (6) GDIS Form
- (7) GDIS Envelope Form

X. THE LEASE SALE

Bid Opening and Reading

Sealed bids received in response to the Final NOS will be opened at the place, date, and hour specified in the “DATE AND TIME” and “LOCATION” sections of this document. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

Bonus Bid Deposit for Apparent High Bids

Each bidder submitting an apparent high bid must submit a bonus bid deposit to the U.S. Department of the Interior’s Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder’s one-fifth bonus bid amount may be obtained at the EFT Area outside the Bid Reading Room on the day of

the bid opening, or it may be obtained on the BOEM website at <http://www.boem.gov/Sale-246/> under the heading “Notification of EFT 1/5 Bonus Liability.” All payments must be deposited electronically into an interest-bearing account in the U.S. Treasury by 11:00 a.m. Eastern Time the day following the bid reading (no exceptions). Account information is provided in the “Instructions for Making Electronic Funds Transfer Bonus Payments” found on the BOEM website identified above.

BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for WPA Sale 246, following the detailed instructions contained on the ONRR Payment Information webpage at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

Withdrawal of Blocks

The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

Acceptance, Rejection, or Return of Bids

The United States reserves the right to reject any and all bids. No bid will be accepted, and no lease for any block will be awarded to any bidder, unless:

- (1) the bidder has complied with all requirements of the Final NOS Package and applicable regulations;
- (2) the bid submitted is the highest valid bid; and
- (3) the amount of the bid has been determined to be adequate by the authorized officer.

Any bid submitted that does not conform to the requirements of the Final NOS and Final NOS Package, OCSLA, BOEM regulations or other applicable statute or regulation, may be rejected and returned to the bidder. The U.S. Department of Justice and the Federal Trade

Commission will review the results of the lease sale for antitrust issues prior to the acceptance of bids and issuance of leases. To ensure that the U.S. Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM's bid adequacy procedures. A copy of current procedures, "Modifications to the Bid Adequacy Procedures," published at 64 FR 37560 on July 12, 1999, can be obtained from the BOEM Gulf of Mexico Region Public Information Office, or via the BOEM Gulf of Mexico Region website at <http://www.boem.gov/Bid-Adequacy-Procedures/>. For Sale 246, the water depth categories are specified as (1) less than 400 meters and (2) 400 meters or greater.

Proposed Changes for Bid Adequacy Review Procedures

BOEM published a notification in the *Federal Register*, at 79 FR 62461-62463 (October 17, 2014), at <http://www.gpo.gov/fdsys/pkg/FR-2014-10-17/pdf/2014-24727.pdf>, proposing the elimination of one of its acceptance rules, the Number of Bids Rule, from its bid adequacy procedures. While BOEM is still in the process of evaluating the proposed change to its acceptance rules, there will be no changes to the bid adequacy procedures for WPA Sale 246. For the existing procedures, see "Modifications to the Bid Adequacy Procedures," at 64 FR 37560-37562 (July 12, 1999), at <http://www.boem.gov/Bid-Adequacy-Procedures/>.

Lease Award

BOEM requires each bidder awarded a lease to:

- (1) execute all copies of the lease (Form BOEM-2005 [October 2011], as amended);
- (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155 and 556.47(f) (ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental); and
- (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended.

XI. DELAY OF SALE

The BOEM Gulf of Mexico RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of an event that the BOEM Gulf of Mexico RD deems may interfere with the carrying out of a fair and orderly lease sale process. Such events could include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fires, strikes, civil disorder, or other events of a similar nature. In case of such events, bidders should call (504) 736-0557, or access the BOEM website at <http://www.boem.gov>, for information regarding any changes.

Abigail Ross Hopper	July 8, 2015
Director, Bureau of Ocean Energy Management	Date
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